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and pepper. The export of dry ginger and tea has, however, declined. The decrease of Rs 1·75 lakhs under Stamps and of Rs ·68 of a lakh under Registration is due to the prevailing economic depression.

4. On the expenditure side, a net increase of Rs. 8·56 lakhs is expected. The items which contribute to the increase are Buildings, Communications and Miscellaneous Public Improvements (4·84), Panivagai (4·04), Miscellaneous Political Expenditure (3·14), Palace (1·55) and Superannuation Allowances and Pensions (·75). The increase under Buildings, Communications, etc. is due to the provision of additional funds during the year for urgent works, especially under Communications. Under Panivagai, the increase is on account of additional works in the Kowdiyar Palace and the provision of funds therefor. The increase under Miscellaneous Political Expenditure is due to the Visit of His Excellency the Viceroy. The expenditure in connection with the Pallikettu of Her Highness the First Princess accounts for the increase under Palace. Under Superannuation Allowances and Pensions, the expected increase is on account of increase in the retirement list. The anchorage at the Quilon Port had not been surveyed since 1883 and consequently the present soundings on the chart are not correctly verified. Arrangements were therefore made with the Marine Department of the Government of India for a resurvey of the Port. This accounts for an increase of Rs ·30 of a lakh under Ports.

The forest areas between Pallivasal and Nariamangalam having become accessible with the opening of the Neriamangalam Pallivasal road, an investigation survey was conducted recently by one of the experienced officers of the Forest department to ascertain the extent of eatta growth by the side of the road. As a result, it has been found that eatta or reeds could easily be extracted from an area of about 28 square miles of forest land and that on a three years' rotation, the annual cut would be approximately 28,000 tons of air-dry eatta which according to Dr. Witz's data is expected to yield about 12,000 tons of pulp every year. The economic significance of this lies in the possibility of using this pulp to run a paper mill in the vicinity, either at Alwaye or at Thattakkad. When the Pallivasal Hydro-Electric Scheme is completed, electrical energy will become easily available: and in fact the sub-stations at Kothamangalam (near Thattakkad) and Alwaye have been so designed as to provide the necessary facilities for the supply of power for industrial purpose at these places. The existence of a railway station at Alwaye, the proximity of the Cochin Harbour, the availability of cheap labour, an abundant supply of fresh water at all times of the year both at Thattakkad and Alwaye, are all important factors in the consideration of this question. Further developments in the matter are engaging the attention of Government.

Savings in expenditure to the extent of Rs 6·60 lakhs are also expected, of which Rs 1·87 lakhs is under payments towards Sinking Funds, Rs ·73 of a lakh under His Highness the Maha Raja's Tours outside the State and Rs·88 of a lakh under Education. As explained

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already, there is no necessity for further investments in the Railway Sinking Fund and a portion of the accumulated balance under this Fund has been utilised for bringing up the Debenture Loan Sinking Fund to its full requirements. This accounts for the savings under payments towards Sinking Funds. As there was no tour of His Highness the Maha Raja outside the State this year, the allotment provided for the purpose is expected to lapse. The expenditure of Rs ·27 of a lakh in the revised estimate is the amount drawn during the current year in connection with His Highness' tour to Europe last year. Under Education, the expected saving is mainly under Grants-in-aid and under Collegiate Education.

5. On the Capital side, the receipts from the sale of Government lands are expected to be only Rs ·70 of a lakh against the budgeted receipt of Rs 1 lakh, while the capital expenditure stands revised at (—) Rs 3·60 lakhs, due to the fact that the expenditure incurred on the Electric and Telephone schemes to the end of last year has been transferred to Debt Heads by deduction from this head, as these works are to be accounted for under investments on reproductive works. The Government Account balance at the close of the current year is thus expected to stand at Rs 118·93 lakhs.

BUDGET ESTIMATES FOR 1110.

6. I shall now pass on to the budget of the coming year. The economic depression which has been correctly described as unprecedented alike in its extent, its duration and its intensity still persists. Commodity prices, subject to minor recoveries, *i. e* , in tea and rubber, still remain low. The present economic situation has been taken into consideration, to the extent possible, in framing the next year's estimates of receipts and expenditure.

The revenue is estimated at Rs 232·93 lakhs and an expenditure of Rs 230·33 lakhs has been provided for, thus leaving a surplus of Rs 2·60 lakhs. Sale of Government lands is expected to bring in Rs 1 lakh and our programme of Capital expenditure is estimated at Rs 5·39 lakhs. We shall thus be drawing from our accumulated surplus Rs 1·79 lakhs for our Capital undertakings.

REVENUE.

7. The estimates under all the important heads of revenue are based mainly on the revised estimates for the current year. The revenue budgeted for the next year is Rs 232·93 lakhs as against the current year's revised estimate of Rs 232·66 lakhs. While improvement in revenue to the extent of Rs 3·07 lakhs is anticipated under some of the major heads especially Customs, decreases amounting to Rs. 2·80 lakhs are anticipated under others.

Customs.—The levy of excise duty on matches, which was one of the measures of taxation contemplated for the purpose of balancing the Budget under the Federation, has now been given effect to in advance by the Government of India. This Government, along with the other

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Indian States, have agreed to levy a corresponding duty on matches manufactured in the State and to pay the proceeds thereof into a common pool, along with the proceeds of the British Indian duty for ultimate distribution between British India and Indian States on the basis of population. Recently, the Government have passed the necessary legislation on the subject, adopting the British Indian Excise duty to come into force from 1st April 1934. A revenue of Rs 2·50 lakhs is expected from this source. At present, no duty is levied on the export of cardamoms. It is proposed either to levy a small duty on the export of cardamoms or to raise the assessment on cardamom lands, whichever will be more convenient to the cardamom cultivators. A revenue of Rs ·60 of a lakh is estimated under this head. The net receipt from the Cochin Harbour Scheme is estimated at Rs 11 lakhs. The question of the revision of tariff values on the produce of the cocoanut tree is engaging the earnest attention of Government.

The fall of Rs 2·80 lakhs in revenue is expected mainly under Excise and Interest.

Excise.—The anticipated fall of Rs ·74 of a lakh is under Abkari and Opium due to the lower rentals fetched in the recent auction sales of the biennial contract and to the expected fall in consumption.

Interest.—The decrease of Rs ·67 of a lakh is due to less receipts under current and short term deposits in the Bank.

EXPENDITURE CHARGED TO REVENUE.

8. The demands of the several departments for expenditure during the next year have been carefully scrutinised both by the Government and the Standing Finance Committee and the grants fixed after a full consideration of the requirements of the various departments. The total expenditure thus provided for in the budget estimate for the next year is Rs 230·33 lakhs. This is Rs 7·44 lakhs less than the revised estimate for the current year. I shall now proceed to deal with the more imortant items.

9. *Land Revenue.*—The expenditure for the next year is estimated at Rs 9·81 lakhs or Rs ·36 of a lakh less than the revised estimate for the current year. The decrease is due mainly to the fact that the period of the Special Officer appointed for drafting a settlement memorandum would cease with the close of the current year.

The work of Jenmikaram Settlement started in pursuance of Section 40 (c) of the Jenmi and Kudiyan Amendment Regulation XII of 1108 is in progress. The special post of the State Jenmikaram Settlement Officer has been abolished with effect from 1st Vrischigom 1109 and the Land Revenue and Income-tax Commissioner put in charge of the supervision and control of the Jenmikaram Settlement work. The Dewan Peishkars of Quilon, Trivandrum and Kottayam have also been invested with appellate powers under the Jenmi-kudiyan Regulation and they have been made responsible for the supervision and inspection of the Jenmikaram Settlement work of their subordinate officers. Out of the

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